



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36231]

Iowa & Middletown Railway LLC—Lease and Operation Exemption—American Ordnance LLC, Owner's Representative for U.S. Army Joint Munitions Command

Iowa & Middletown Railway LLC (I&M), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to lease from American Ordnance LLC (AO), as owner's representative for the U.S. Army Joint Munitions Command (JMC), and to operate, within the Iowa Army Ammunition Plant (Plant),¹ approximately four miles of track (Line).² According to I&M, there are no mileposts assigned to the Line. The Line is located in Des Moines County, Iowa, on a portion of the Plant that JMC no longer needs and will be repurposed as a business park.

I&M states that upon consummation of the transaction and the commencement of operations, I&M will be a Class III carrier. I&M states that it is leasing the Line in order to provide common carrier rail service to transload customers and other rail customers that may locate in the planned business park. I&M states it will originate and terminate freight traffic and conduct loading and unloading operations and that it will also offer rail

¹ The Plant is owned by JMC. According to I&M, AO and JMC are parties to an Operations and Maintenance Agreement that permits AO to grant rights to use certain property within the Plant, including the railroad tracks.

² I&M states that the lease also includes a number of other tracks that will be operated by I&M under as yard and industrial tracks for which no Board authority is required.

car storage and car repair services within the Plant. The Line connects with BNSF Railway Company (BNSF) at Middletown, Iowa, and I&M is working with BNSF to establish interchange there.

According to I&M, it intends to commence common carrier operations on or about January 1, 2019. I&M states, however, that Eyal Shapira, President of I&M, would file a related notice of exemption for common control of I&M and other railroads under his control. Mr. Shapira filed that notice in Eyal Shapira—Continuance in Control Exemption—Iowa & Middletown Railway, Docket No. FD 36232, on October 23, 2018.³ Therefore, the effective date of this lease and operation exemption will be held in abeyance pending review of Mr. Shapira's notice of exemption.

I&M certifies that its projected annual revenues as a result of this transaction will not exceed \$5 million or result in the creation of a Class II or Class I rail carrier.

I&M also certifies that the lease does not impose or include an interchange commitment.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than seven days before the exemption becomes effective; a deadline for filing petitions for stay will be established in a future decision that establishes an effective date for this exemption.

³ The notice of exemption in Docket No. FD 36232 also relates to a concurrently filed notice of exemption in Wolf Creek Railroad LLC—Lease & Operation Exemption—American Ordnance LLC, Owner's Representative for U.S. Army Joint Munitions Command, Docket No. FD 36236.

An original and 10 copies of all pleadings, referring to Docket No. FD 36231, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Eric M. Hocky, Clark Hill PLC, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103.

According to I&M, this action is exempt from environmental review under 49 CFR 1105.6(c) and exempt from historic review under 49 CFR 1105.8(b).

Board decisions and notices are available on our website at www.stb.gov.

Decided: October 23, 2018.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Jeffrey Herzig,

Clearance Clerk.

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